



U.S. EMBASSY - BAGHDAD

2008 Provincial Reconstruction Team News

-Iraqi Officials Learn of Millions PRT Devotes to Province-

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Forward Operating Base Delta, Iraq - Iraqi officials in Wasit Province recently learned that since January 2007 more than \$38 million dollars was spent on capacity-building projects in their region by Provisional Reconstruction Teams (PRTs) in cooperation with Coalition Forces.



The Wasit PRT leader and his military counterpart, commander of the 214th Brigade Combat Team (BCT), made that point as they briefed the Wasit Provincial Council April 15 at the BCT headquarters near the Provincial capital of Al Kut. **\$38 million spent on projects since January 2007**

According to PRT Team Leader Wade Weems, his team's mission is "to serve the Iraqi people and to create a strong, independent and free Iraq." This was Weems' last briefing before his volunteer tour came to an end on April 17 and he was replaced by Bob Kagler, an engineer and Foreign Service Officer.

Colonel Peter Baker, the 214th BCT commander, said, "We are working on developing processes and systems to put in place to allow for continued growth. We have done a lot as a team -- and it has been a team effort -- but there is more to do so that essential services are available to all."

A prime concern of many of the 25 PRTs and 4 smaller provincial support teams operating in support of Iraq's 18 provinces is teaching budget execution so that funds apportioned to the provinces and localities from Iraq's central government are properly spent. Close to \$13 billion of Iraq's \$48 billion 2008 budget is devoted to reconstruction and economic development in the provinces and localities.

The Wasit briefing provided an overview of money spent from 2003 - 2006 and a detailed look at projects completed from Jan. 1, 2007 until present. Baker stressed that as the security situation stabilizes, more projects can be completed. Coalition forces in Wasit province include contingents from the United States, El Salvador, Poland, Romania, Georgia, Lithuania and Kazakhstan.

The Wasit PRT was established in July 2007 to coordinate and oversee reconstruction efforts in the province. The team works to assist provincial and local government with a range of programs focused on skills training, jobs and small grant programs.

Weems told the council his team works with not only the provincial council, but with business leaders, non-governmental organizations, local councils, civil society organizations and other Iraqi leaders to plan projects to help the community.

“The PRT presented this information because they care and they want to share their knowledge,” said Saad Sharhan Farhan al-Timimi, a provincial council member.

His colleague on the Council Hadi al-Yasiri also expressed his appreciation for what the PRT had accomplished in the province, but added more needed to be done to reach citizens in rural and less-populated areas.

Weems agreed, noting that both the council and the PRT need to focus more on the future than on the past. “The important thing that should come out of this discussion is not the specifics of a project in 2003, but where have we succeeded, where have we failed and how can we do better,” Weems said.

In early April the PRT received approval to begin a pilot economic development program aimed at stimulating the local economy and increasing private Iraqi investment in Wasit Province.

The \$100,000 grant provided by the State Department’s Quick Reaction Fund (QRF) will award small grants to select medium-sized businesses borrowing money from the Iraqi Company for Bank Guarantees (ICBG), a consortium of 11 Iraqi private banks supported by the Central Bank of Iraq and the U.S. Agency for International Development (USAID).

Through the "Cost of Capital Partial Reduction Pilot Program", the Wasit PRT will tackle a major barrier of expansion plans for medium-sized businesses -- the high rate of interest -- by providing small grants to lower the effective rate of interest on ICBG loans in Wasit.

With their grant of about \$1,500, a borrower from an ICBG bank branch will be able to purchase a new, \$20,000 locally assembled tractor at an affordable rate of interest. The \$100,000 PRT investment will then result in the purchase of approximately 75 new, locally assembled tractors operating in the fields of Wasit.

The potential impact of the PRT’s initiatives is multi-fold. With the use of the grants, medium-sized businesses, which typically have a difficult time borrowing capital yet are the largest employers in the Province, will expand their businesses creating more jobs while at the same time leveraging expansion of the capital markets in the region.